

**INSURANCE REGULATORY TRUST FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2007**

	August-07				July-07				Current FYTD	Prior Year FY07	3 Years	5 Years
	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR			Ended 6/30/2007	Ended 6/30/2007
		Actual	Policy			Actual	Policy		Net	Net	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>												
<i>Structured Growth</i>												
Los Angeles Capital	110,385	2.2%	2.3%	1.09%	84,898	1.7%	2.3%	-3.21%	-2.15%	21.84%	13.35%	N/A
<b>Total Structured Growth</b>	<b>110,385</b>	<b>2.2%</b>	<b>2.3%</b>	<b>1.09%</b>	<b>84,898</b>	<b>1.7%</b>	<b>2.3%</b>	<b>-3.21%</b>	<b>-2.15%</b>	<b>21.84%</b>	<b>13.35%</b>	<b>10.94%</b>
Russell 1000 Growth				1.59%				-1.55%	0.02%	19.04%	8.70%	9.28%
<i>Structured Value</i>												
LSV	108,909	2.2%	2.3%	1.43%	82,400	1.7%	2.3%	-4.84%	-3.48%	23.77%	19.00%	16.55%
Russell 1000 Value				1.12%				-4.62%	-3.56%	21.87%	15.93%	13.31%
<i>Russell 1000 Enhanced Index</i>												
LA Capital	221,048	4.4%	4.5%	0.90%	168,132	3.4%	4.5%	-3.86%	-2.99%	21.27%	13.46%	N/A
Russell 1000				1.36%				-3.09%	-1.77%	20.43%	12.34%	
<i>S&amp;P 500 Enhanced Index</i>												
Westridge	245,111	4.9%	4.5%	1.53%	181,025	3.7%	4.5%	-1.62%	-0.11%	21.12%	11.98%	N/A
S&P 500				1.50%				-3.10%	-1.65%	20.59%	11.68%	
<i>Index</i>												
State Street	68,066			0.80%	51,797			-4.09%	-3.31%	21.82%	12.34%	11.08%
<b>Total 130/30</b>	<b>68,066</b>	<b>1.4%</b>	<b>1.5%</b>	<b>0.80%</b>	<b>51,797</b>	<b>1.0%</b>	<b>1.5%</b>	<b>-4.09%</b>	<b>-3.31%</b>	<b>21.82%</b>	<b>12.34%</b>	<b>11.08%</b>
S&P 500				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>753,519</b>	<b>15.1%</b>	<b>15.0%</b>	<b>1.20%</b>	<b>568,252</b>	<b>11.5%</b>	<b>15.0%</b>	<b>-3.22%</b>	<b>-2.06%</b>	<b>21.86%</b>	<b>13.76%</b>	<b>12.22%</b>
S&P 500				1.50%				-3.10%	-1.65%	20.59%	11.68%	10.71%
<b>SMALL CAP DOMESTIC EQUITY</b>												
<i>Manager-of-Managers</i>												
SEI	126,395	2.5%	2.5%	0.30%	93,731	1.9%	2.5%	-6.33%	-6.04%	18.39%	13.70%	14.37%
Russell 2000 + 200bp				2.43%				-6.67%	-4.40%	18.76%	15.72%	16.16%
<i>Enhanced</i>												
Research Affiliates	122,492	2.5%	2.5%	0.87%	90,094	1.8%	2.5%	N/A	N/A	N/A	N/A	N/A
Russell 2000				2.27%				-6.84%	-4.73%			
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>248,887</b>	<b>5.0%</b>	<b>5.0%</b>	<b>0.58%</b>	<b>183,825</b>	<b>3.7%</b>	<b>5.0%</b>	<b>-6.33%</b>	<b>-5.78%</b>	<b>18.39%</b>	<b>13.70%</b>	<b>14.37%</b>
Russell 2000				2.27%				-6.84%	-4.73%	16.44%	13.45%	13.88%
<b>INTERNATIONAL EQUITY</b>												
<i>Large Cap - Active</i>												
Capital Guardian	189,774	3.8%	4.0%	-2.30%	153,195	3.1%	4.0%	-1.85%	-4.10%	25.99%	21.19%	14.89%
LSV	198,513	4.0%	4.0%	-3.14%	161,366	3.3%	4.0%	-1.90%	-4.98%	31.24%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>388,287</b>	<b>7.8%</b>	<b>8.0%</b>	<b>-2.73%</b>	<b>314,561</b>	<b>6.3%</b>	<b>8.0%</b>	<b>-1.87%</b>	<b>-4.55%</b>	<b>28.57%</b>	<b>22.95%</b>	<b>18.43%</b>
MSCI EAFE - 50% Hedged				-1.40%				-2.31%	-3.68%	26.94%	22.55%	15.71%
<i>Small Cap - Value</i>												
Lazard	48,667	1.0%	1.0%	-4.20%	40,014	0.8%	1.0%	-0.60%	-4.77%	21.03%	20.93%	N/A
Citigroup Broad Market Index < \$2BN				4.60%				1.20%	5.86%	28.58%	26.34%	
<i>Small Cap - Growth</i>												
Vanguard	47,108	0.9%	1.0%	-2.97%	38,230	0.8%	1.0%	-0.46%	-3.42%	31.00%	28.08%	N/A
Citigroup Broad Market Index < \$2BN				4.60%				1.20%	5.86%	28.58%	26.34%	
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>484,062</b>	<b>9.7%</b>	<b>10.0%</b>	<b>-2.90%</b>	<b>392,806</b>	<b>7.9%</b>	<b>10.0%</b>	<b>-1.62%</b>	<b>-4.48%</b>	<b>28.02%</b>	<b>23.43%</b>	<b>17.15%</b>
MSCI EAFE - 50% Hedged				-1.40%				-2.31%	-3.68%	26.94%	22.55%	15.71%
<b>DOMESTIC FIXED INCOME</b>												
<i>Core Bond</i>												
Western Asset	524,919	10.5%	10.9%	0.57%	420,630	8.5%	10.9%	0.16%	0.74%	7.29%	4.44%	5.64%
Lehman Aggregate				1.23%				0.83%	2.07%	6.12%	3.98%	4.48%
<i>Mortgage Backed</i>												
Hyperion	144,345	2.9%	2.8%	-0.61%	118,862	2.4%	2.8%	0.09%	-0.52%	N/A	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				1.02%				1.09%	2.11%			
<i>Core Plus/Enhanced</i>												
Clifton Group	148,339	3.0%	2.8%	1.69%	117,657	2.4%	2.8%	1.64%	3.36%	5.52%	N/A	N/A
Prudential	144,030	2.9%	2.8%	0.95%	115,049	2.3%	2.8%	-0.29%	0.65%	N/A	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>292,368</b>	<b>5.9%</b>	<b>5.6%</b>	<b>1.32%</b>	<b>232,706</b>	<b>4.7%</b>	<b>5.6%</b>	<b>0.67%</b>	<b>2.01%</b>	<b>5.95%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate				1.23%				0.83%	2.07%	6.12%		
<i>Index</i>												
Bank of ND	262,608	5.3%	4.9%	1.32%	208,933	4.2%	4.9%	1.11%	2.45%	5.45%	2.92%	4.32%
Lehman Gov/Credit (1)				1.28%				1.00%	2.29%	6.00%	3.04%	4.35%
<i>BBB Average Quality</i>												
Wells Capital (formerly Strong)	520,351	10.5%	10.9%	0.97%	415,188	8.4%	10.9%	-0.21%	0.76%	7.93%	4.86%	6.59%
Lehman US Credit BAA				1.06%				-0.06%	1.00%	7.54%	4.47%	6.59%
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>1,744,592</b>	<b>35.1%</b>	<b>35.0%</b>	<b>0.83%</b>	<b>1,396,320</b>	<b>28.2%</b>	<b>35.0%</b>	<b>0.27%</b>	<b>1.10%</b>	<b>7.11%</b>	<b>3.89%</b>	<b>5.04%</b>
Lehman Aggregate (2)				1.23%				0.83%	2.07%	6.12%	4.13%	4.87%
<b>CASH EQUIVALENTS</b>												
Bank of ND	1,744,891	35.1%	35.0%	0.43%	2,414,587	48.7%	35.0%	0.44%	0.87%	5.36%	4.10%	3.00%
90 Day T-Bill				0.56%				0.39%	0.95%	5.21%	3.78%	2.76%
<b>TOTAL INSURANCE REGULATORY TRUST</b>	<b>4,975,952</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.37%</b>	<b>4,955,790</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.57%</b>	<b>-0.20%</b>	<b>11.10%</b>	<b>7.39%</b>	<b>7.70%</b>
POLICY TARGET BENCHMARK				0.82%				-0.61%	0.21%	10.39%	7.14%	6.76%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit Index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.